

[REPUBLIC ACT NO. 7678, February 17, 1994]

AN ACT GRANTING THE DIGITAL TELECOMMUNICATIONS PHILIPPINES, INCORPORATED, A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN TELECOMMUNICATIONS SYSTEMS THROUGHOUT THE PHILIPPINES AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Nature and Scope of Franchise.* — Subject to the provisions of the Constitution and applicable laws, there is hereby granted to the Digital Telecommunications Philippines, Incorporated, its successors or assigns, for a period of twenty-five (25) years from the effectivity of this Act, the right, privilege and authority to construct, maintain and operate telecommunications systems throughout the Philippines, and to provide by means of the said telecommunications systems a telephone service and other telecommunications services in the Philippines. The grantee is further authorized to carry on the business of providing basic and enhanced public telecommunications services in and between provinces, cities and municipalities in the Philippines, and between the Philippines and other countries and territories, and for the purpose of providing said telecommunications services, to construct, own and operate telecommunications systems, in and between said provinces, cities and municipalities, to contract for telecommunications lines in and between the Republic of the Philippines and other countries, to construct, maintain and operate and use all telecommunications apparatus necessary for the provision of telecommunications services and install, construct and maintain telecommunications apparatus, in, on, over or under lands and waters, as may be necessary and best adapted to the provision of telecommunications services, and to connect and keep connected its telecommunications services in the Philippines and between the Philippines and other countries and territories: *Provided, however,* That all telecommunications apparatus installed or used by the grantee shall be located in places authorized by the National Telecommunications Commission (hereinafter referred to as the Commission) and shall be installed in a workmanlike manner to the satisfaction of the said Commission: *Provided, further,* That, upon reasonable notice of the Commission, the grantee may be required to relocate its telecommunications lines so as to permit the access to or between buildings or other structures on condition that the actual cost of such relocation of telecommunications lines shall be paid by the person at whose instance the telecommunication line is moved; and, at the expense of the grantee, its successors or assigns, to relocate telecommunications lines when the Commission so orders in the public interest: *Provided, finally,* That said grantee shall have the right to appeal to the President.

Should the grantee fail, refuse or neglect within a period of thirty (30) days after notice of the order of the Commission to relocate its telecommunications lines, said Commission may relocate the telecommunications lines at the expense of the

grantee: *Provided*, That the installation of all telecommunications apparatus and construction work shall be done in accordance with the rules and regulations prescribed by the Commission: *Provided, further*, That whenever a telecommunication line is carried on poles in any city or municipal center, then the telecommunication line shall be placed underground, whenever so ordered by the Commission: *Provided, furthermore*, That the poles erected and the telecommunications lines installed by virtue of this franchise shall be so placed as will at most result only in the minimum interference on the wavelengths or frequencies of the existing stations or other stations which may be established in accordance with law of other telecommunications services grantees, without in any way diminishing its own right to use its selected wavelengths or frequencies or reception thereon as would maximize rendition of the grantee's services and/or the availability thereof: *Provided, finally*, That any pole erected by the grantee shall be of such a height as to maintain any telecommunication line attached to them at a height of at least fifteen (15) feet crossing roads or streets, and shall be placed so as not to be a danger to the public safety, in accordance with a plan approved by the Commission.

SEC. 2. *Definition of Terms.* —

- a. "Telecommunications system" means a facility for conveyance through the agency of the electric, magnetic, electromagnetic, electrochemical or electromechanical energy of speech, music and other sounds, visual images and signal serving either for the impartation of any matter or for the actuation or control of machinery or apparatus.
- b. "Telecommunication apparatus" means any apparatus constructed or adapted for use in transmitting or receiving anything conveyed by a telecommunication system and includes any telecommunication line used in telecommunication system.
- c. "Telecommunication message" means anything conveyed by means of telecommunication system.
- d. "Telecommunication service" means a service consisting of the conveyance by means of a telecommunication system of any telecommunication message and includes a directory, information service and installation, maintenance, adjustment, repair, movement or replacement of telecommunication apparatus, excluding the broadcasting of any telecommunication message, the purpose of which is to advertise any product or service other than the use of the telecommunication service itself.
- e. "Telephone service" means a telecommunication service consisting of the conveyance of voice and non-voice telecommunication messages and data including, but not limited to, video transmission, telefax, teleconferencing, television, and the like.
- f. "Telecommunication line" means any wire, cable, tube, pipe, conduit or other similar things, including its casing or coating, which is so designed or adapted to be a telecommunication apparatus.
- g. "Local telephone exchange" means an item of telecommunication apparatus designated by the grantee as such in its application with the National Telecommunications Commission for a certificate of public necessity and convenience under Section 10 hereof

SEC. 3. *Authority of the National Telecommunications Commission.* — The grantee shall secure from the Commission the appropriate permits and licenses for the

location, construction, installation and operation of its radio telecommunications systems. The Commission shall have the authority to supervise and regulate the construction, operation and regulation of its radio telecommunications systems. The grantee shall not use any frequency in the radio spectrum without having been authorized by the Commission.

The grantee shall not begin any construction whatsoever pursuant to this franchise or exercise any right or privilege under this franchise without first obtaining a certificate of public necessity and convenience from the Commission. After due hearing, the Commission shall determine whether such construction or such exercise of the right or privilege under this franchise is necessary and proper for public convenience, and in a proper case issue the certificate. In issuing the certificate, the Commission shall have the power to impose such conditions relative to the construction, operation, maintenance, or service of the radio telecommunications systems as the public convenience and interest may reasonably require for each certificate it shall have obtained. Such certificate shall state the date the grantee shall commence the construction work and the period within which the work shall be completed.

SEC. 4. *Responsibility to the Public.* — The grantee shall supply telephone service in any municipality in the Philippines where it has established a local telephone exchange to any applicant therefor; and as between such applicant and other like applicants, in the order of the date of their applications up to the limit of the capacity of its telephone exchange as determined by the Commission in any application made by the grantee for the construction of the relevant telecommunications systems, and should the demand for the telephone service at any time increase beyond the capacity of its local telephone exchange to supply the same, the capacity of said telephone exchange shall be increased by the grantee to meet such demand, in accordance with the decision of the Commission: *Provided*, That in case the point at which the telephone service to be supplied is more than fifty meters (50 m.) from the distribution points operated by the grantee, the latter shall not be obliged to furnish said service, unless the applicant for the telephone service defrays the actual expenses for the installation of the telecommunications apparatus necessary for such service and in such cases the Commission may extend the time within which the grantee shall furnish such service.

For the purpose of installing, operating and maintaining its telecommunications lines, it shall be lawful for the grantee to make excavations or lay conduits in any of the public places, highways, streets, lanes, alleys, avenues, sidewalks, bridges of said municipalities, forest reserves and other similar property of the government of the Philippines or any of its branches or instrumentalities: *Provided, however*, That any public place, highway, street, lane, alley, avenue, sidewalk or bridge disturbed, altered, or changed by reason of the installation, operation and maintenance of said telecommunications lines underground shall be repaired and replaced in a workmanlike manner by the said grantee to the satisfaction of the Department of Public Works and Highways. Should the grantee, its successors or assigns, after the lapse of thirty (30) days from receipt of notice from the proper authority fail, refuse, or neglect to repair or replace any part of a public place, road, highway, street, lane, alley, avenue, sidewalk or bridge altered, changed, or disturbed by said grantee, then the Department of Public Works and Highways shall have the right to have the same repaired and placed in good order and condition at the cost and expense of the grantee.